

HOUSE BILL 683
EMERGENCY BILL

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Q2

2004 Regular Session
4r0566

By: **Prince George's County Delegation**

Introduced and read first time: February 4, 2004

Assigned to: Ways and Means

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 30, 2004

CHAPTER _____

1 AN ACT concerning

2 **Prince George's County - Tax Sales - High-Bid Premium**
3 **PG 404-04**

4 FOR the purpose of altering the calculation of a certain high-bid premium imposed on
5 sales in Prince George's County; making this Act an emergency measure; and
6 generally relating to the calculation of the high-bid premium at tax sales in
7 Prince George's County.

8 BY repealing and reenacting, with amendments,
9 Article - Tax - Property
10 Section 14-817
11 Annotated Code of Maryland
12 (2001 Replacement Volume and 2003 Supplement)

13 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
14 MARYLAND, That the Laws of Maryland read as follows:

15 **Article - Tax - Property**

16 14-817.

17 (a) (1) (i) The sale shall be held on the day and at the place stated in the
18 notice by advertising.

19 (ii) The sale shall be held in the county in which the land to be sold
20 is located.

1 (iii) If the sale cannot be completed on that day, the collector shall
2 continue the sale as determined by the collector and announced to the bidders at the
3 sale until all property included in the sale is sold.

4 (2) All sales shall be at public auction to the person who makes the
5 highest good faith accepted bid, in fee or leasehold, as the case may be.

6 (3) (i) The collector shall retain any common law or other authority
7 normally granted to an auctioneer conducting a public auction and may refuse to
8 accept bids that are not made in good faith.

9 (ii) The collector may delegate this authority to an auctioneer.

10 (4) The conduct of the sale shall be according to terms set by the
11 collector, and published with a reasonable degree of specificity in the public notice of
12 the tax sale, to ensure the orderly functioning of the public auction and the integrity
13 of the tax sale process, including requirements that potential bidders:

14 (i) establish their eligibility for bidding by presenting evidence of
15 the legal existence of the bidding entity that is satisfactory to the collector;

16 (ii) limit their representation at a tax sale to no more than a single
17 agent per bidding entity; and

18 (iii) refrain from any act, agreement, consent, or conspiracy to
19 suppress, predetermine, rig, or fix the bidding at the sale.

20 (5) (i) If determined by the collector to be in the best public interest
21 and included in the required public notice of the sale, the collector may solicit and
22 accept bids from the highest bidder for any group of properties to be sold at the tax
23 sale.

24 (ii) 1. Upon the request of any individual or group, the collector
25 may remove any individual property or properties from a group of properties to be
26 sold at the tax sale.

27 2. Upon the request of the property owner at least 15 days
28 before the date of the tax sale, the collector shall remove any individual property or
29 properties from a group of properties to be sold at the tax sale.

30 (iii) The collector shall provide notice to the potential bidders of any
31 alterations to a group of properties at the time the bidders become known.

32 (iv) The collector may conduct the sale of a group of properties
33 under this paragraph by a sealed bid process.

34 (v) Except in Montgomery County, the collector shall establish a
35 high-bid premium under subsection (b)(2) of this section for all properties to be sold:

36 1. in groups; or

1 (c) (1) In Baltimore City, abandoned property consisting of either a vacant
2 lot or improved property cited as vacant and unfit for habitation on a housing or
3 building violation notice may be sold for a sum less than the total amount of:

4 (i) all taxes on the property that are certified to the collector under
5 § 14-810 of this subtitle;

6 (ii) interest and penalties on the taxes; and

7 (iii) expenses incurred in making the sale.

8 (2) The collector shall establish a minimum bid for abandoned property
9 sold under this subsection.

10 (3) The person responsible for the taxes prior to the sale shall remain
11 liable to the collector for the difference between the amount received in the tax sale
12 under this section and the taxes, interest, penalties, and expenses remaining after
13 the sale.

14 (4) The balance remaining after the tax sale shall be included in the
15 amount necessary to redeem the property under § 14-828 of this subtitle.

16 (5) In a proceeding brought by the Mayor and City Council of Baltimore
17 City to foreclose the right of redemption under this subtitle, the complaint may
18 request a judgment for the city in the amount of the balance.

19 (6) The balance remaining after the tax sale is no longer a lien on the
20 property when:

21 (i) a judgment is entered foreclosing the owner's right of
22 redemption;

23 (ii) the deed is recorded; and

24 (iii) all liens accruing subsequent to the date of sale are paid in full.

25 (7) The Mayor and City Council may institute a separate action to collect
26 the balance at any time within 7 years after the tax sale if the plaintiff is a private
27 purchaser.

28 SECTION 2. AND BE IT FURTHER ENACTED, That this Act ~~shall take effect~~
29 July 1, 2004 is an emergency measure, is necessary for the immediate preservation of
30 the public health or safety, has been passed by a ye and nay vote supported by
31 three-fifths of all the members elected to each of the two Houses of the General
32 Assembly, and shall take effect from the date it is enacted.

